

## **To the Shareholders and Directors of the De Agostini Group**

De Agostini has been setting up its business for more than a century: during this period the Group has bravely adapted itself to social and market situations through a process of changes and conversions, while combining tradition with innovation and achieving the good results that everybody knows.

In these years, the observance of the principles of fairness and integrity in conducting De Agostini business has never failed, and the Group policy has been more and more addressed to emphasise ethical values. Integrity is in De Agostini DNA and the purpose of this document is to provide guidelines to Group employees, especially the new ones, on the rules and responsibilities falling on each of us.

Therefore, compliance with the principles included into this Code of Conducts represents a specific duty arising from the business relation with De Agostini and, more than this, the fervent adherence to a philosophy that made De Agostini a successful company.

# CONTENTS

	Page
Purpose and extent of the document	3
Regulations and procedures references	3
General regulations	4
De Agostini managerial policy	4
Internal relations	6
External relations: customers, suppliers and competitors	6
Relations with Institutions	8
Relations with the environment	8
Public relations	9
Conflicts of interest	9
Enforcement of ethical principles and observance of the Code	10

## **Purpose and extent**

De Agostini Group (hereinafter “De Agostini”) requires that directors, employees and consultants abide by the ethical principles stated in this Code of Conducts.

This document, already approved by the shareholders’ meeting, represents a general policy to which all addressees should comply with in conducting De Agostini business.

The Code of Conducts applies to directors, employees, consultants and freelancers dealing with De Agostini by any way (hereinafter “parties concerned”). Consequently, De Agostini is committed to spread the Code, updating its content, taking into consideration employees’ advices and carrying on controls over possible violations of the regulations. Special attention should be paid by managers, who are required to look after the observance of these ethical principles and to set a good example for their staff.

De Agostini acknowledges that its significant success over the last few years was also due to the strict adherence to these ethical values, and is therefore committed to arrange and promote training courses in order to minimise the risk of breaches of regulations, in compliance with articles 2104<sup>1</sup> and 2105<sup>2</sup> of the Italian Civil Code.

## **Regulations and procedures references**

De Agostini engaged to carry out periodical reviews of regulations pertaining to the Corporate governance and compliance with the ethical principles stated into this Code of Conducts.

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<sup>1</sup> **Art. 2104 Civil Code - The diligence of the employee.** *The employee must use the diligence required by the kind of services supplied, the interests of the enterprise and the higher interest of national production. The employee shall also abide by the provisions for carrying out the work according to the rules given by the employer and his collaborators.*

<sup>2</sup> **Art. 2105 Civil Code – Fidelity duty.** *The employee must not conduct business on his own or on behalf of third parties, entering into competition with the employer, nor spread news concerning the enterprise organization and its production system, nor make use of news that are detrimental to the enterprise.*

## **General regulations**

Parties concerned are committed to comply with the Code of Conducts since the beginning of their assignment and behave with the utmost integrity.

Collaborators and consultants receive, upon assignment, copy of this document representing guidance in carrying out business activities.

Consequently, all employees and other parties working with De Agostini, without exceptions, are requested to conform to the highest professional standards and not to behave in conflict with the principles stated into this Code, thus reinforcing the Corporate image. Consistent with the commitment to maintain the highest possible reputation, relations between De Agostini and parties concerned are marked by trust and co-operation. Each part is requested to exert himself so that business relations among colleagues may facilitate teamwork and collaboration. On the other hand, De Agostini does not wish to infringe on employees personal lives or affairs and places a great importance on their privacy.

## **De Agostini managerial policy**

One of the basic principles in De Agostini is to establish an effective and cooperative working environment. To this end, De Agostini:

- Fosters careers development and promotions by merit, competencies and skills. Career opportunities are granted on the basis of actual contribution to the success of an activity, without discriminations or undeserved awarding;
- Aims at the creation and maintenance of a working climate that meet employees expectations, safeguarding their health and security;
- Prevents discriminating behaviours, harassments and oppressions so to allow and assure all employees to work effectively and with personal satisfactions;

- Requires all employees, within their competences, to behave in compliance with the above mentioned principles and guidelines;
- Assures conformity with the existing regulations on employees' personal data, pursuant to the law of privacy. Only personal data concerning the employment are kept by authorised people dealing with this task.

Parties concerned are committed to:

- Behave properly and with the utmost integrity, thus promoting the achievement of Corporate goals;
- Comply with internal policies and procedures;
- Make appropriate use of the Corporate goods and assets, in observance of internal regulations;
- Avoid pursuing private interests which are detrimental to Corporate purposes, also including the use of De Agostini name, image and information that are gathered during working activity for objectives not related to the business carried on, as well as devoting working hours to private interests;
- Take up an attitude consistent with Corporate image;
- Contribute to the safeguard of Corporate assets constituted by data and records, avoiding non-authorised spreading of news and inappropriate use of non-public information or research and development work, in compliance with the guidelines stated in the internal Security handbook.

The legal prohibition against unauthorised use or disclosure of this type of information is not changed by termination of employment, even if no damage is caused to De Agostini.

Rules included in this Code are also addressed to:

- Agents (corporate and individuals) that are required to act properly and correctly, while performing their duties, in compliance with the principles stated in this Code;

- Professional persons supplying continuative and coordinated services as well as consultants, on condition that it is allowed by their deontological rules.

### **Internal relations**

De Agostini entrusts directors and managers with a task to develop respectful relations with their staff, while promoting the spirit of membership to the Corporate also spreading and sharing Corporate values.

Personnel motivation, transparent communication along with fair relations are representing objectives every manager should aim at, so that their staff professional growth could be encouraged and supported through fair and unbiased personal assessment.

Compliance with these principles promotes staff involvement, thus improving processes effectiveness, protecting Corporate resources and increasing personnel awareness of their contribution to the achievement of Corporate goals.

Strict observance of internal procedures represents a common objective for all employees and aims at an effective business management as well as prevents Corporate risks from occurring.

Managers and directors are therefore requested to promote personal involvement, teamwork, spirit of membership and respect for De Agostini values and ethical principles.

### **External relations: customers, suppliers and competitors**

De Agostini has always conducted business deals with customers and suppliers in adherence to strict ethical principles, in order to earn and maintain its reputation as a company and a workforce, which carries on business with the utmost integrity. One of

the basic objectives therefore is to exceed customers' satisfaction through fair, professional, effective and reliable business relations. Same approach shall be used in dealing with suppliers. That implies that parties concerned shall not accept, under no circumstances, payments, gifts and gratuities from suppliers or customers whose economic value is more than symbolic. High value gifts must be reported to the pertinent department head. In the same way, parties concerned are not allowed to offer gifts, working opportunities or special considerations to third parties aiming at personal advantages even though De Agostini could benefit by that.

It is forbidden to reveal confidential information such as internal price policy, sale and payment conditions, development and marketing plans, market research, production plans or any other remarkable information concerning De Agostini and its properties, when dealing with competitors or other organizations that offer similar products or services. Whenever it becomes necessary to disclose confidential information or data with remarkable significance, the counterpart shall sign a special confidentiality form before obtaining confidential data.

Likewise, parties concerned shall refrain from providing third parties or competitors with confidential information, in conformity with employment obligation, which requires employees to be bound to secrecy.

As far as professional services are concerned, not relating to legal services, the requesting subsidiary/department will entrust the selected consultant and draw up an assignment contract in legal form along with the Corporate Legal Department.

All of our business decisions should be based exclusively on De Agostini best interest. Consultants and professional offices should be selected leaving aside private relations and in a completely impartial manner. De Agostini policy is to select consultants on the basis of results arisen from previous co-operations, overall quality of services supplied,

solid organization and skills, suitability of the product or services, possibility to establish continuative business relations and to negotiate favourable economic conditions.

## **Relations with Institutions**

De Agostini entertains connections with foreign, national and local authorities in accordance with the principles of transparency and co-operation.

Directors, representatives and employees of Government concessionaire companies are required to refrain from any conduct, which could lead to suspect they of acting in contrast with Legislative Decree n. 231/2001.

In compliance with internal procedures, it is strictly forbidden to offer payments, gifts, gratuities, working opportunities or special considerations whose value is more than symbolic or beyond standard business relations, so to favour De Agostini interests or influence government officials.

Charity activities are under De Agostini Board of Directors exclusive competences.

## **Relations with the environment**

De Agostini interfere with the environment through its infrastructures and properties. In this context, De Agostini principles are:

- To operate in compliance with in force regulations regarding the environmental protection, so to minimise any negative impact on environment;
- To take all necessary precautionary measures to protect employees health and security, acknowledging the right to an healthy working environment, in conformity with existing law.

Employees are committed to comply with internal policies and procedures concerning security and labour protection as well as report contingent violations or gap in the applicable regulations.

An appropriate internal function will provide for updating internal procedures continuously, monitoring the body of rules and identifying the most suitable procedure for health protection.

Ad hoc training courses will also be developed to divulge accident prevention procedures, as approved by the employer.

## **Public relations**

Corporate Public Relations department is solely responsible for all institutional communications and external relations; possible violations shall be agreed and approved in advance, in compliance with internal procedures. Coherently, attendance in an external activity, such as acting as Corporate spokesman or columnist, as well as granting interviews requires a written pre-approval from Corporate Public Relations department.

Directors or employees that are in politics must comply with special regulations.

## **Conflicts of interest**

Conflict of interest may arise when De Agostini directors or employees engage in any activity that is detrimental to De Agostini or deprives De Agostini of a legitimate benefit. As an aid to understanding how the policy is intended to work, it is considered conflict of interest:

- An obligation to, or relationship with, any person or organization with whom De Agostini competes;
- A business involvement which could affect an employee judgement in fulfilling his or her responsibility to De Agostini, such as sales of products or services in competition with De Agostini;
- Ownership of, or a financial interest in, or other investments either directly or indirectly held, or outside employment in a supplier, competitor or customer;

- Business activity that divert our work during regular business hours from De Agostini interests;
- Personal use or disclosure of non-public De Agostini information or research, gathered in the business carried on and either directly or indirectly referred to De Agostini, its customers and suppliers;
- Any activity or interest that might benefit employees' private interests through the use of De Agostini name;

In addition, given the countless opportunities for conflicts of interest, De Agostini expects that:

- Directors report to the Board of Directors any situation that could result in an actual or potential conflict of interest;
- Employees disclose any situation in which they are or may become involved which could result in a actual or potential conflict of interest. When presented with such situations, employees are required to report to the pertinent department head or general manager, who should inform Central Human Resources Department.

Situations which should be brought to the attention of management pursuant to this policy and arose prior to the issuance of this Code of Conducts, shall be disclosed immediately to an appropriate member of management to determine whether to consent to that activity.

### **Enforcement of ethical principles and observance of the Code**

This Code of Conducts is distributed to the parties concerned by the appropriate Company/Department, while the Central Human Resources Department will deliver this document to new employees.

The observance of the Code of Conducts form part of employment duties which all employees are required to comply with.

If an employee violates the ethical principles included into this Code of Conducts, De Agostini could:

- Apply sanctions and disciplinary actions provided by existing laws and in compliance with collective labour agreements, where applicable;
- Terminate employment relation;
- Initiate claiming damages or proceedings against the involved employee in defence of its rights and interests.